

**SUBCHAPTER 531**

**PAY UNDER THE GENERAL SCHEDULE**

**TABLE OF CONTENTS**

**SECTIONS**

**Page**

A. Purpose	531-1
B. Determining Rate of Basic Pay	531-1
C. Quality Step Increase (QSI)	531-3
D. Locality-Based Comparability Payments	531-3

## **SUBCHAPTER 531**

### **PAY UNDER THE GENERAL SCHEDULE**

**References:** (a) Title 5, United States Code  
(b) Title 10, United States Code  
(c) Title 5, Code of Federal Regulations, Parts 430, “Performance Management,” and 531, “Pay Under the General Schedule”

#### **A. PURPOSE**

This Subchapter implements DoD policy on “Pay under the General Schedule” under Chapter 53 of 5 U.S.C. (reference (a)), 10 U.S.C. 1586 (reference (b)), and 5 CRF 430 and 531 (reference (c)).

#### **B. DETERMINING RATE OF BASIC PAY**

##### **1. Advanced In-Hire Rates**

a. The authority to use superior qualifications appointments to set advanced in-hire rates at all grade levels under 5 U.S.C. 5333 (reference (a)) and 5 CRF 531.203(b) (reference (c)), is delegated through Component and command channels to officials who exercise personnel appointing authority (normally the head of an installation or activity).

##### **b. Responsibilities**

(1) Officials to whom the use of superior qualifications appointments is delegated must develop and apply guidelines and documentation criteria for setting advanced in-hire rates of pay.

(2) Officials making a superior qualifications appointment must consider a recruitment bonus before providing advanced rates. Documentation of a superior qualifications appointment must include reasons for authorizing an advance rate instead of, or in addition to, a recruitment bonus.

##### **2. Pay Setting On Reassignment, Reappointment, or Transfer**

a.. The authority to apply the maximum payable rate rule and set pay considering an employee’s highest previous rate under 5 U.S.C. 5334(a) and 5 CFR 531.203(c) and (d) (references (a) and (c)), is delegated through Component and command channels to officials who exercise personnel appointing authority (normally the head of an installation or activity).

b. Officials to whom the use of the maximum payable rate rule is delegated must develop and apply criteria guidelines to ensure consistent treatment of employees when highest previous rates are considered to set pay on reinstatement, reappointment, reemployment, change of

appointment, transfer, reassignment, promotion, or change to lower grade. The use of a maximum payable rate is discretionary.

c. When an employee voluntarily accepts a change to lower grade and is eligible for immediate repromotion to the former grade, the employee's pay should be set at a rate that will provide the employee no greater benefit upon immediate repromotion than he or she would have received but for the change to lower grade.

### **3. Pay-Setting On Return from Duty Outside the United States**

10 U.S.C. 1586 (reference (b)) preserves the full benefit of pay entitlements of a career-conditional or career employee who rotates overseas. When an employee exercises return rights from an overseas assignment and the overseas service was satisfactory, the employee is entitled to a rate of basic pay not less than the rate to which he or she would have been entitled had the employee not been assigned to duty outside the United States, including any applicable within-grade increase(s).

### **4. Pay-Setting for Former Nonappropriated Fund (NAF) Employees**

a. When a DoD NAF employee is moved involuntarily to a position in the DoD Federal civilian employment system, without a break in service of more than 3 days, the employee is entitled to a rate of basic pay equal to or greater than the employee's rate of basic pay under the nonappropriated fund instrumentality immediately before the move.

b. Except as provided in paragraph B.4.c., below, for pay-setting purposes relating to portability of benefits under 5 U.S.C. 5334(b) (reference (a)), a NAF payband employee's rate of basic pay is considered to be the employee's annual rate of pay, less the General Schedule locality-based comparability payment for the locality pay area in which the NAF position is located and any other additional pay of any kind. To obtain that rate of basic pay, divide the NAF employee's current annual rate of pay by 1 plus the locality pay percentage in effect for the area of application.

c. When a NAF payband employee has competed and been selected for a position in the DoD Federal civilian employment system that is considered to be at a higher level than the position currently held by the employee under the NAF employment system, an official who exercises personnel appointing authority (normally the head of an installation or activity) may consider the NAF employee's annual rate of pay for pay-setting purposes under the General Schedule.

### **5. Application of the Simultaneous Action Rule**

a. A general pay change under 5 U.S.C. 5303 or 5305 (reference (a)) which affects an entire category of employees is not covered by the simultaneous actions rule under 5 CFR 531.203(f) (reference (c)). The general pay change is processed before any other pay benefit.

b. When an employee is entitled to more than one pay benefit affecting only that individual employee's pay (e.g., a within-grade increase and termination of grade retention), the actions are processed in the order that provides the employee the greatest benefit.

**6. Demotion for Cause**

When an employee is demoted for cause (actions taken under either Chapter 43 or 75 of title 5 U.S.C. (reference (a))), the employee's pay must be set at a rate in the lower grade that does not exceed the rate of pay held immediately before the action causing the reduction. Organizations must develop and apply guidelines for setting the pay of an employee who is reduced in pay for cause.

**C. QUALITY STEP INCREASE (QSI)**

1. Organizations may award a QSI, under 5 U.S.C. 5336 (reference (a)) and 5 CFR 531 E. (reference (c)), only in accordance with section J of Subchapter 451 of this Manual. Organizations must ensure that a QSI is awarded only in recognition of the highest level of sustained performance above that normally found in the type of position concerned.

2. A QSI, which provides for faster than normal movement within the rate range of a grade, may not be awarded to an employee in a position that does not meet the definition of "permanent position" under 5 CFR 531.403 (reference (c)).

**D. LOCALITY-BASED COMPARABILITY PAYMENTS**

An employee's duty station, as it is officially indicated on the Standard Form 50, defines his or her entitlement to locality pay under 5 U.S.C. 5304 (reference (a)). Organizations have flexibility in determining the employee's duty station for details and long-term temporary duty. Such determination shall affect not only the employee's locality pay, but also entitlement to per diem or relocation. Organizations must develop guidelines to ensure consistent application based on organization and employee needs as well as budget considerations.